



12/09/2009 02:53 PM

**Georgia-Pacific AOC Financial Assurance****Griffith, Garry T.** to: SAMUEL BORRIESCc: Leslie Kirby-Miles, JAMES SARIC, "Erickson, Michael"
"Garbaciak, Steve" , "Davis, Michael (GP Law)"

Sam,

Georgia-Pacific currently has a combined financial assurance (FA) of \$12,798,000 for the River SRI/FS, Plainwell TCRA and Plainwell No. 2 Dam TCRA. While we know that we may request a reduction in the FA amount for the TCRAs under the terms of the AOCs since the cost of the remaining work under the TCRAs is less than the current FA amount, we are also aware that the SRI/FS AOC includes a requirement to increase the FA in the near future.

The Plainwell TCRA FA amount as revised by USEPA effective Feb 21, 2009, is \$973,000. At the time the FA amount was revised, Georgia-Pacific was required to provide 100 percent of the FA amount due to Millennium Holdings LLC's decision to cease work on the river. The Plainwell No. 2 Dam TCRA FA amount is \$8,000,000. The cost to complete the remaining work under the two TCRAs is estimated at \$4,100,000, see attached November 17, 2009 e-mail from Arcadis (for calendar years 2010 through 2012).

Section 94 of the Kalamazoo River SRI/FS AOC requires the FA amount to be increased to \$15,000,000 on February 21, 2010, the third anniversary of the AOC, or at the time the USEPA provides written notice of the completion of the removal action work for the Plainwell TCRA, whichever occurs earlier. This would be triggered by the approval of the TCRA Construction Completion Report.

Since the above actions would cancel each other out to some degree, and due to the uncertainty associated with Millennium Holding LLC's January 2009 Chapter 11 filing, Georgia-Pacific requests that USEPA delay the effective date of the SRI/FS AOC FA increase six months from the AOC anniversary date (until August 21, 2010), or one month after the date Millennium Holdings LLC emerges from bankruptcy, whichever occurs first. If approved, Georgia-Pacific would agree to maintain the FA for the TCRA AOCs at the current amount until such time as the SRI/FS FA is increased.

Please let us know if this request is acceptable to you, and if there is anything further needed from Georgia-Pacific for this to occur.

Regards,

Garry Griffith, P.E.
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----- Message from "Garbaciak, Steve" <Steve.Garbaciak@arcadis-us.com> on Tue, 17 Nov 2009 16:08:07 -0600 -----

To: "Griffith, Garry T." <gtgriffi@GAPAC.com>

cc: "Erickson, Michael" <Michael.Erickson@arcadis-us.com>, "Cowin, Doug" <Doug.Cowin@arcadis-us.com>

<Matthew.Bowman@arcadis-us.com>

Subject : Remaining Plainwell costs

Garry,

Per your request for this information for use in considering a reduction in financial assurance for the Plainwell TCRA Consent Orders, please find attached the projected remaining costs for the Plainwell 1 and 2 TCRAs and associated OM&M. Costs have been broken down by year (2009-2012) and are based on calendar years.

Please let me know if you have questions.

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**Kalamazoo River Study Group
Allied Paper, Inc./Portage Creek/Kalamazoo River Superfund Site
Georgia-Pacific, LLC**

Total Remaining Costs for Former Plainwell Impoundment TCRA and Plainwell #2 TCRA and OM&M

Year	Plainwell TCRA	Plainwell #2 TCRA	Total
2009	\$ 266,000	\$ 1,660,000	\$ 1,926,000
2010	\$ 120,000	\$ 3,850,000	\$ 3,970,000
2011	\$ 70,000	\$ 20,000	\$ 90,000
2012	\$ 20,000	\$ 20,000	\$ 40,000
Total:	\$ 476,000	\$ 5,550,000	\$ 6,026,000

Notes:

- 1) Remaining 2009 costs calculated from January 1 - December 31, 2009, to include costs already incurred but not yet invoiced.
- 2) Costs provided for 2010 - 2012 are based on calendar years., not P.O. periods.